

Calendar No. 166

108TH CONGRESS
1ST SESSION

S. 312

[Report No. 108–78]

To amend title XXI of the Social Security Act to extend the availability of allotments for fiscal years 1998 through 2001 under the State Children’s Health Insurance Program.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 2003

Mr. ROCKEFELLER (for himself, Mr. CHAFEE, Mr. KENNEDY, Ms. SNOWE, Mr. BAUCUS, Mr. GRASSLEY, Mr. CORZINE, Mr. WARNER, Mrs. CLINTON, Ms. COLLINS, Mr. BINGAMAN, Mr. MCCAIN, Mr. BAYH, Mr. DEWINE, Mrs. HUTCHISON, Mrs. LINCOLN, Mr. HATCH, Mr. LAUTENBERG, , Ms. MIKULSKI, Mr. LUGAR, Mr. SARBANES, Mrs. FEINSTEIN, Ms. CANTWELL, Mr. JEFFORDS, Mr. CRAPO, and Mr. ROBERTS) introduced the following bill; which was read twice and referred to the Committee on Finance

JUNE 24, 2003

Reported by Mr. GRASSLEY, without amendment

A BILL

To amend title XXI of the Social Security Act to extend the availability of allotments for fiscal years 1998 through 2001 under the State Children’s Health Insurance Program.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXTENSION OF AVAILABILITY OF SCHIP ALLOT-**
 4 **MENTS FOR FISCAL YEARS 1998 THROUGH**
 5 **2001.**

6 (a) EXTENDING AVAILABILITY OF SCHIP ALLOT-
 7 MENTS FOR FISCAL YEARS 1998 THROUGH 2001.—

8 (1) RETAINED AND REDISTRIBUTED ALLOT-
 9 MENTS FOR FISCAL YEARS 1998 AND 1999.—Para-
 10 graphs (2)(A)(i) and (2)(A)(ii) of section 2104(g) of
 11 the Social Security Act (42 U.S.C. 1397dd(g)) are
 12 each amended by striking “fiscal year 2002” and in-
 13 serting “fiscal year 2004”.

14 (2) EXTENSION AND REVISION OF RETAINED
 15 AND REDISTRIBUTED ALLOTMENTS FOR FISCAL
 16 YEAR 2000.—

17 (A) PERMITTING AND EXTENDING RETEN-
 18 TION OF PORTION OF FISCAL YEAR 2000 ALLOT-
 19 MENT.—Paragraph (2) of such section 2104(g)
 20 is amended—

21 (i) in the heading, by striking “AND
 22 1999” and inserting “THROUGH 2000”; and

23 (ii) by adding at the end of subpara-
 24 graph (A) the following:

1 “(iii) FISCAL YEAR 2000 ALLOT-
 2 MENT.—Of the amounts allotted to a State
 3 pursuant to this section for fiscal year
 4 2000 that were not expended by the State
 5 by the end of fiscal year 2002, 50 percent
 6 of that amount shall remain available for
 7 expenditure by the State through the end
 8 of fiscal year 2004.”.

9 (B) REDISTRIBUTED ALLOTMENTS.—Para-
 10 graph (1) of such section 2104(g) is amended—

11 (i) in subparagraph (A), by inserting
 12 “or for fiscal year 2000 by the end of fis-
 13 cal year 2002,” after “fiscal year 2001,”;

14 (ii) in subparagraph (A), by striking
 15 “1998 or 1999” and inserting “1998,
 16 1999, or 2000”;

17 (iii) in subparagraph (A)(i)—

18 (I) by striking “or” at the end of
 19 subclause (I),

20 (II) by striking the period at the
 21 end of subclause (II) and inserting “;
 22 or”; and

23 (III) by adding at the end the
 24 following new subclause:

1 “(III) the fiscal year 2000 allot-
2 ment, the amount specified in sub-
3 paragraph (C)(i) (less the total of the
4 amounts under clause (ii) for such fis-
5 cal year), multiplied by the ratio of
6 the amount specified in subparagraph
7 (C)(ii) for the State to the amount
8 specified in subparagraph (C)(iii).”;
9 (iv) in subparagraph (A)(ii), by strik-
10 ing “or 1999” and inserting “, 1999, or
11 2000”;
12 (v) in subparagraph (B), by striking
13 “with respect to fiscal year 1998 or 1999”;
14 (vi) in subparagraph (B)(ii)—
15 (I) by inserting “with respect to
16 fiscal year 1998, 1999, or 2000,”
17 after “subsection (e),”; and
18 (II) by striking “2002” and in-
19 serting “2004”; and
20 (vii) by adding at the end the fol-
21 lowing new subparagraph:
22 “(C) AMOUNTS USED IN COMPUTING RE-
23 DISTRIBUTIONS FOR FISCAL YEAR 2000.—For
24 purposes of subparagraph (A)(i)(III)—

1 “(i) the amount specified in this
 2 clause is the amount specified in para-
 3 graph (2)(B)(i)(I) for fiscal year 2000, less
 4 the total amount remaining available pur-
 5 suant to paragraph (2)(A)(iii);

6 “(ii) the amount specified in this
 7 clause for a State is the amount by which
 8 the State’s expenditures under this title in
 9 fiscal years 2000, 2001, and 2002 exceed
 10 the State’s allotment for fiscal year 2000
 11 under subsection (b); and

12 “(iii) the amount specified in this
 13 clause is the sum, for all States entitled to
 14 a redistribution under subparagraph (A)
 15 from the allotments for fiscal year 2000, of
 16 the amounts specified in clause (ii).”.

17 (C) CONFORMING AMENDMENTS.—Such
 18 section 2104(g) is further amended—

19 (i) in its heading, by striking “AND
 20 1999” and inserting “, 1999, AND 2000”;
 21 and

22 (ii) in paragraph (3)—

23 (I) by striking “or fiscal year
 24 1999” and inserting “, fiscal year
 25 1999, or fiscal year 2000”; and

1 (II) by striking “or November
 2 30, 2001” and inserting “November
 3 30, 2001, or November 30, 2002”, re-
 4 spectively.

5 (3) EXTENSION AND REVISION OF RETAINED
 6 AND REDISTRIBUTED ALLOTMENTS FOR FISCAL
 7 YEAR 2001.—

8 (A) PERMITTING AND EXTENDING RETEN-
 9 TION OF PORTION OF FISCAL YEAR 2001 ALLOT-
 10 MENT.—Paragraph (2) of such section 2104(g),
 11 as amended in paragraph (2)(A)(ii), is further
 12 amended—

13 (i) in the heading, by striking “2000”
 14 and inserting “2001”; and

15 (ii) by adding at the end of subpara-
 16 graph (A) the following:

17 “(iv) FISCAL YEAR 2001 ALLOT-
 18 MENT.—Of the amounts allotted to a State
 19 pursuant to this section for fiscal year
 20 2001 that were not expended by the State
 21 by the end of fiscal year 2003, 50 percent
 22 of that amount shall remain available for
 23 expenditure by the State through the end
 24 of fiscal year 2005.”.

(B) REDISTRIBUTED ALLOTMENTS.—Paragraph (1) of such section 2104(g), as amended in paragraph (2)(B), is further amended—

(i) in subparagraph (A), by inserting “or for fiscal year 2001 by the end of fiscal year 2003,” after “fiscal year 2002,”;

(ii) in subparagraph (A), by striking “1999, or 2000” and inserting “1999, 2000, or 2001”;

(iii) in subparagraph (A)(i)—

(I) by striking “or” at the end of subclause (II),

(II) by striking the period at the end of subclause (III) and inserting “; or”; and

(III) by adding at the end the following new subclause:

“(IV) the fiscal year 2001 allotment, the amount specified in subparagraph (D)(i) (less the total of the amounts under clause (ii) for such fiscal year), multiplied by the ratio of the amount specified in subparagraph (D)(ii) for the State to the amount specified in subparagraph (D)(iii).”;

(iv) in subparagraph (A)(ii), by striking “or 2000” and inserting “2000, or 2001”;

(v) in subparagraph (B)—

(I) by striking “and” at the end of clause (ii);

(II) by redesignating clause (iii) as clause (iv); and

(III) by inserting after clause (ii) the following new clause:

“(iii) notwithstanding subsection (e), with respect to fiscal year 2001, shall remain available for expenditure by the State through the end of fiscal year 2005; and”;

and

(vi) by adding at the end the following new subparagraph:

“(D) AMOUNTS USED IN COMPUTING REDISTRIBUTIONS FOR FISCAL YEAR 2001.—For purposes of subparagraph (A)(i)(IV)—

“(i) the amount specified in this clause is the amount specified in paragraph (2)(B)(i)(I) for fiscal year 2001, less the total amount remaining available pursuant to paragraph (2)(A)(iv);

1 “(ii) the amount specified in this
 2 clause for a State is the amount by which
 3 the State’s expenditures under this title in
 4 fiscal years 2001, 2002, and 2003 exceed
 5 the State’s allotment for fiscal year 2001
 6 under subsection (b); and

7 “(iii) the amount specified in this
 8 clause is the sum, for all States entitled to
 9 a redistribution under subparagraph (A)
 10 from the allotments for fiscal year 2001, of
 11 the amounts specified in clause (ii).”.

12 (C) CONFORMING AMENDMENTS.—Such
 13 section 2104(g) is further amended—

14 (i) in its heading, by striking “AND
 15 2000” and inserting “2000, AND 2001”;
 16 and

17 (ii) in paragraph (3)—

18 (I) by striking “or fiscal year
 19 2000” and inserting “fiscal year
 20 2000, or fiscal year 2001”; and

21 (II) by striking “or November
 22 30, 2002,” and inserting “November
 23 30, 2002, or November 30, 2003,”
 24 respectively.

1 (4) EFFECTIVE DATE.—This subsection, and
 2 the amendments made by this subsection, shall be
 3 effective as if this subsection had been enacted on
 4 September 30, 2002, and amounts under title XXI
 5 of the Social Security Act (42 U.S.C. 1397aa et
 6 seq.) from allotments for fiscal years 1998 through
 7 2000 are available for expenditure on and after Oc-
 8 tober 1, 2002, under the amendments made by this
 9 subsection as if this subsection had been enacted on
 10 September 30, 2002.

11 (b) AUTHORITY FOR QUALIFYING STATES TO USE
 12 PORTION OF SCHIP FUNDS FOR MEDICAID EXPENDI-
 13 TURES.—Section 2105 of the Social Security Act (42
 14 U.S.C. 1397ee) is amended by adding at the end the fol-
 15 lowing:

16 “(g) AUTHORITY FOR QUALIFYING STATES TO USE
 17 CERTAIN FUNDS FOR MEDICAID EXPENDITURES.—

18 “(1) STATE OPTION.—

19 “(A) IN GENERAL.—Notwithstanding any
 20 other provision of law, with respect to allot-
 21 ments for fiscal years 1998, 1999, 2000, 2001,
 22 for fiscal years in which such allotments are
 23 available under subsections (e) and (g) of sec-
 24 tion 2104, a qualifying State (as defined in
 25 paragraph (2)) may elect to use not more than

1 20 percent of such allotments (instead of for
 2 expenditures under this title) for payments for
 3 such fiscal year under title XIX in accordance
 4 with subparagraph (B).

5 “(B) PAYMENTS TO STATES.—

6 “(i) IN GENERAL.—In the case of a
 7 qualifying State that has elected the option
 8 described in subparagraph (A), subject to
 9 the total amount of funds described with
 10 respect to the State in subparagraph (A),
 11 the Secretary shall pay the State an
 12 amount each quarter equal to the addi-
 13 tional amount that would have been paid
 14 to the State under title XIX for expendi-
 15 tures of the State for the fiscal year de-
 16 scribed in clause (ii) if the enhanced
 17 FMAP (as determined under subsection
 18 (b)) had been substituted for the Federal
 19 medical assistance percentage (as defined
 20 in section 1905(b)) of such expenditures.

21 “(ii) EXPENDITURES DESCRIBED.—

22 For purposes of clause (i), the expendi-
 23 tures described in this clause are expendi-
 24 tures for such fiscal years for providing
 25 medical assistance under title XIX to indi-

viduals who have not attained age 19 and whose family income exceeds 150 percent of the poverty line.

“(iii) NO IMPACT ON DETERMINATION OF BUDGET NEUTRALITY FOR WAIVERS.—

In the case of a qualifying State that uses amounts paid under this subsection for expenditures described in clause (ii) that are incurred under a waiver approved for the State, any budget neutrality determinations with respect to such waiver shall be determined without regard to such amounts paid.

“(2) QUALIFYING STATE.—In this subsection, the term ‘qualifying State’ means a State that—

“(A) as of April 15, 1997, has an income eligibility standard with respect to any 1 or more categories of children (other than infants) who are eligible for medical assistance under section 1902(a)(10)(A) or under a waiver under section 1115 implemented on January 1, 1994, that is up to 185 percent of the poverty line or above; and

“(B) satisfies the requirements described in paragraph (3).

1 “(3) REQUIREMENTS.—The requirements de-
2 scribed in this paragraph are the following:

3 “(A) SCHIP INCOME ELIGIBILITY.—The
4 State has a State child health plan that (wheth-
5 er implemented under title XIX or this title)—

6 “(i) as of January 1, 2001, has an in-
7 come eligibility standard that is at least
8 200 percent of the poverty line or has an
9 income eligibility standard that exceeds
10 200 percent of the poverty line under a
11 waiver under section 1115 that is based on
12 a child’s lack of health insurance;

13 “(ii) subject to subparagraph (B),
14 does not limit the acceptance of applica-
15 tions for children; and

16 “(iii) provides benefits to all children
17 in the State who apply for and meet eligi-
18 bility standards on a statewide basis.

19 “(B) NO WAITING LIST IMPOSED.—With
20 respect to children whose family income is at or
21 below 200 percent of the poverty line, the State
22 does not impose any numerical limitation, wait-
23 ing list, or similar limitation on the eligibility of
24 such children for child health assistance under
25 such State plan.

1 “(C) ADDITIONAL REQUIREMENTS.—The
 2 State has implemented at least 3 of the fol-
 3 lowing policies and procedures (relating to cov-
 4 erage of children under title XIX and this title):

5 “(i) UNIFORM, SIMPLIFIED APPLICA-
 6 TION FORM.—With respect to children who
 7 are eligible for medical assistance under
 8 section 1902(a)(10)(A), the State uses the
 9 same uniform, simplified application form
 10 (including, if applicable, permitting appli-
 11 cation other than in person) for purposes
 12 of establishing eligibility for benefits under
 13 title XIX and this title.

14 “(ii) ELIMINATION OF ASSET TEST.—
 15 The State does not apply any asset test for
 16 eligibility under section 1902(l) or this title
 17 with respect to children.

18 “(iii) ADOPTION OF 12-MONTH CON-
 19 TINUOUS ENROLLMENT.—The State pro-
 20 vides that eligibility shall not be regularly
 21 redetermined more often than once every
 22 year under this title or for children de-
 23 scribed in section 1902(a)(10)(A).

24 “(iv) SAME VERIFICATION AND REDE-
 25 TERMINATION POLICIES; AUTOMATIC REAS-

1 ASSESSMENT OF ELIGIBILITY.—With respect
2 to children who are eligible for medical as-
3 sistance under section 1902(a)(10)(A), the
4 State provides for initial eligibility deter-
5 minations and redeterminations of eligi-
6 bility using the same verification policies
7 (including with respect to face-to-face
8 interviews), forms, and frequency as the
9 State uses for such purposes under this
10 title, and, as part of such redetermina-
11 tions, provides for the automatic reassess-
12 ment of the eligibility of such children for
13 assistance under title XIX and this title.

14 “(v) OUTSTATIONING ENROLLMENT
15 STAFF.—The State provides for the receipt
16 and initial processing of applications for
17 benefits under this title and for children
18 under title XIX at facilities defined as dis-
19 proportionate share hospitals under section
20 1923(a)(1)(A) and Federally-qualified
21 health centers described in section
22 1905(l)(2)(B) consistent with section
23 1902(a)(55).”.

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